

## Message Text

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ORIGIN EA-09

INFO OCT-01 EUR-12 ISO-00 DOTE-00 FMC-01 PRS-01 PA-01

ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00

EB-07 FPC-01 H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05

OMB-01 PM-04 SAM-01 OES-06 SP-02 SS-15 STR-04 TRSE-00

ACDA-07 FEA-01 NSCE-00 SSO-00 USIE-00 INRE-00 /108 R

DRAFTED BY DRAFTED:EA/J:DFSMITH:BCL

APPROVED BY EA - LESTER E. EDMOND

EA/IMS:DKENNEY

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O P 262050Z AUG 76

FM SECSTATE WASHDC

TO AMEMBASSY TOKYO IMMEDIATE

AMEMBASSY JAKARTA IMMEDIATE

INFO AMEMBASSY LONDON PRIORITY

C O N F I D E N T I A L STATE 212489

E.O. 11652: GDS

TAGS: ENRG, EFIN, ID, JA, US

SUBJECT: INDONESIAN-JAPAN LNG TRANSPORTATION

REF: A) TOKYO 12832 B) TOKYO 12766

1. JAPANESE EMBASSY ECONOMIC COUNSELOR IKEDA MET WITH  
ASSOC. DIRECTOR SEC ENFORCEMENT DIVISION AND OTHER STAFF  
MEMBERS AUGUST 25. SMITH (EA/J) SAT IN. IKEDA STATED  
THAT TOKYO HAD INSTRUCTED EMBASSY TO APPROACH MARAD, SEC AND  
HOUSE GOVERNMENT OPERATIONS SUBCOMMITTEE TO ASK ABOUT  
PRESS REPORTS THAT THESE BODIES ARE ALL INITIATING IN-  
VESTIGATIONS INTO LNG TANKER DEAL. HE ALSO MENTIONED  
THAT JSP DIET MEMBER AFFILIATED WITH LOWER HOUSE COMMERCE  
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COMMITTEE HAD MADE AN INQUIRY. HE ASKED WHETHER SEC WAS

UNDERTAKING SUCH AN INVESTIGATION AND, NOTING THAT GOJ INTEREST WAS IN MOVEMENT OF INDONESIAN LNG TO JAPAN, WHETHER SEC ANTICIPATED THAT ITS INVESTIGATION WOULD BE LIKELY TO HAVE ANY IMPACT ON AVAILABILITY OF INDONESIAN LNG TO JAPAN.

2. SEC OFFICIAL RESPONDED THAT SEC STAFF WAS IN VERY PRELIMINARY STAGES INQUIRY INTO MATTER ON BASIS OF LIMITED INFORMATION WHICH AT THAT POINT DID NOT GO BEYOND PRESS ACCOUNTS. SEC HAD NOT DRAWN ANY CONCLUSIONS ABOUT FACTS AND HAD NOT DECIDED HOW FAR TO GO OR METHOD TO FOLLOW. SEC CONCERN WAS ENFORCEMENT OF FEDERAL SECURITY LAWS AND COMMISSION WAS NOT IN A POSITION TO JUDGE IMPACT OF SUCH AN INQUIRY ON WIDER INTERNATIONAL ASPECTS OF CASE. HE EMPHASIZED THAT SEC INQUIRY WAS NOT AN INDICATION OF ANY WRONGDOING BUT ONLY EFFORT TO GET AT FACTS. HE SAID THAT SEC WOULD BE INTERESTED IN ANY INFORMATION GOJ COULD PROVIDE ABOUT MATTER. SEC OFFICIAL ALSO NOTED THAT SEC WAS SOMEWHAT CONCERNED THAT ALLEGATIONS BROUGHT THUS FAR MIGHT BE COMING FROM COMPETITORS ANXIOUS TO STIR UP TROUBLE. SEC DID NOT WANT TO BE IN POSITION OF BEING USED IN A COMPETITIVE STRUGGLE.

3. IKEDA REPORTED THAT GOJ HAD NO INFORMATION THAT BURMAH HAD BRIBED ANYONE IN JAPAN. HOWEVER, IT HAD RECEIVED REPORT BURMAH TANKERS HAD CHARTERED A MAMMOTH TANKER FROM JAPAN LINES BUT HAD CANCELLED IT AS RECESSION DEEPENED. A KOREAN NAMED PARK HAD SERVED AS GO-BETWEEN IN NEGOTIATIONS OVER CANCELLATION AND HAD RECEIVED \$3 MILLION FOR HIS SERVICES. ON BASIS OF INFO AVAILABLE TO GOJ THIS PAYMENT APPEARED TO HAVE BEEN MADE OPENLY. IKEDA NOTED THAT \$3 MILLION FIGURE CORRESPONDED WITH AMOUNT DESCRIBED AS BRIBE IN YOMIURI STORIES.

4. IKEDA ASKED FOLLOWING ADDITIONAL QUESTIONS TO WHICH SEC STAFFERS REPLIED AS INDICATED.

A. IS IT TRUE THAT SEC HAS ASKED FOR WRITTEN PROCEEDINGS OF ARBITRATION WHICH OCCURRED IN APRIL AND HAD BEEN REFUSED PROCEEDINGS BY PARTIES? ANSWER: PARTIES DID NOT CONFIDENTIAL

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EXACTLY REFUSE BUT IT WOULD BE INAPPROPRIATE TO COMMENT FURTHER.

B. IS IT TRUE THAT CONG. ASPIN HAS ASKED THE SEC TO LOOK INTO THE CASE? ANSWER: OFFICER WHO COULD PROVIDE AUTHORITATIVE ANSWER IS ON LEAVE.

C. IS THE SEC CONCERNED WITH BURMAH TANKERS ENTITLEMENT TO

TITLE XI FINANCING? ANSWER: SEC DOESN'T ENFORCE TITLE XI.

5. FOLLOWING MEETING IKEDA INFORMED DEPTOFF THAT JAPANESE EMBASSY INQUIRIES AT MARAD AND GOVERNMENT OPERATIONS SUB-COMMITTEE HAD ALSO ELICITED RESPONSE THAT INVESTIGATIONS WERE IN PRELIMINARY PHASE AND THAT THERE WAS NOTHING TO REPORT. HE SPECULATED THAT FACT THAT YOMIURI CORRESPONDENT IN NEW YORK HAD PUT OUT STORIES ABOUT LNG TANKERS ON FOUR SUCCESSIVE DAYS SUGGESTED EFFORT TO COMPETE WITH HIGHLY PUBLICIZED INTERVIEW WITH KOTCHIAN OF LOCKHEED PUBLISHED SERIALY IN ASAHI.

6. FYI. ALTHOUGH WE ARE SOMEWHAT SKEPTICAL, IKEDA STATED THAT HE DID NOT THINK HE WOULD SEND CABLE TO TOKYO ON MEETING AS NO IMPORTANT INFORMATION HAD EMERGED. END FYI. KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LPG, MARINE TRANSPORTATION, BRIBERY, CARGO SHIPS, INVESTIGATIONS  
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**Copy:** SINGLE  
**Draft Date:** 26 AUG 1976  
**Decaption Date:** 01 JAN 1960  
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**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** coburnhl  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**Disposition History:** n/a  
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**Previous Classification:** CONFIDENTIAL  
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**To:** TOKYO JAKARTA  
**Type:** TE  
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